

**OFFICE OF THE MISSISSIPPI SECRETARY OF STATE
BUSINESS REGULATION AND ENFORCEMENT DIVISION**

IN THE MATTER OF)	Administrative Proceeding
)	Number: S-03-0008
LOUIS D. HAMRIC, II)	
8267 Mossey Creek Drive)	
Germantown, Tennessee 38138)	
)	
RESPONDENT)	

FINAL CEASE AND DESIST ORDER

I. JURISDICTION

COMES NOW, James O. Nelson, II, Assistant Secretary of State, Business Regulation and Enforcement Division, on behalf of Eric Clark, Secretary of State for the State of Mississippi (the "Secretary"), after having served a Summary Cease and Desist Order on Respondent, Louis D. Hamric, II, and Respondent having wholly failed to respond within the time frame allowed by applicable rules, hereby issues this Final Order regarding Respondent's violations of the Mississippi Securities Act ("Act"), Miss. Code Ann. §75-71-101, *et seq.*

II. FINDINGS OF FACT

1. Respondent, Louis Hamric, II (hereinafter, "Hamric") was at all times relevant to this matter an attorney licensed to practice law by the States of Mississippi and Tennessee. Hamric resides at 8267 Mossy Creek Drive, Germantown, Tennessee 38138. During all times relevant to this matter Hamric was never registered with the Division as a broker-dealer, investment adviser, or agent of a broker-dealer or investment adviser.
2. Healthcare Innovations, Inc. (hereinafter, "HCI") is a business entity whose address during all times relevant to this matter was 6075 Poplar Avenue, Suite 222, Memphis, Tennessee 38119. HCI has never been registered with the Division as a broker-dealer, investment adviser, or agent of a broker-dealer or investment adviser.

3. Hamric acted as a broker-dealer in that he effected transactions of unregistered, non-exempt securities on behalf of others. During all times relevant to this matter, Hamric was not registered with the Division as a broker-dealer or agent of a broker-dealer.
4. During the period of June 2000 through on or about March 2002 Hamric and others offered and sold unregistered, non-exempt securities in the form of promissory notes to the following individuals:

AmSouth Account number	Name on Account	Address 1	Address 2	Prom Note Amt
659989008	Arthur Fulford	203 Birch Avenue	Indianola, MS 38751	\$425,000.00
659984009	Alexandre Solomon	105 Muscadine Hill	Madison, MS 39110	\$425,000.00
65B008004	Billy G. Knowlton	2155 Twin Lake Blvd.	West Columbia, TX 77486	\$850,000.00
65B009002	C. W. Jordan	4449 82 East	Lake Village, AR 71653	\$400,000.00
707739009	Charles E. Bouldin Ttee, Charles E Bouldin PSP	4248 Eason Blvd. W. Ste. A	Tupelo, MS 38801	\$880,000.00
65B113002	Dewey L. Stiles	2619 Old Leland Road	Greenville, MS 38701	\$105,000.00
707745006	Dewey L. Stiles & Tommye H. Stiles	2619 Old Leland Road	Greenville, MS 38701	\$365,000.00
65B006008	Durell Hall	Post Office Drawer A	Nettleton, MS 38858	\$340,000.00
707735007	Elizabeth M. Goodwin	512 South Main Street	Greenville, MS 38701	\$315,000.00
65B016007	Evelyn Joyce Rossie	922 N. Dyer Circle	Greenville, MS 38701	\$63,000.00
707734000	Helen R. Cissell & Evelyn Rossie	922 N. Dyer Circle	Greenville, MS 38701	\$160,000.00
707731006	Jack A. McNeil Ttee, Jack A McNeil PSP	302 Arnold Avenue	Greenville, MS 38701	\$1,000,000.00
65B005000	James T. Cole	217 Wiley Parker Road	Jackson, TN 38305	\$185,000.00
707792008	Joan Potter	1909 Robinson	Jackson, MS 39209	\$100,000.00
659983001	Joe D. Winstead	504 South Lakeshore	Lake Village, AR 71653	\$340,000.00
65B036005	Juanita H. Gray-IRA Rollover	1821 South Main Street	Greenville, MS 38701	\$100,000.00
707791000	Kathryn B. Rogers	4127 Hwy 431 South	Eufaula, AL 36027	\$85,000.00
65B018003	Kenneth A. Dye IRA	Post Box 588	Shannon, MS 38868	\$155,000.00
659988000	Marcelene J. O'Neal	1790 E. Azalea Circle	Greenville, MS 38701	\$800,000.00
65B001009	Kathryn Kittleman	305 Woodlawn – Wilzin Park	Greenville, MS 38701	\$620,000.00
707747002	Robert L. Coburn	619 Wildwood	Greenville, MS 38701	\$210,000.00
707784005	Robert L. Gray	1821 South Main Street	Greenville, MS 38701	\$100,000.00
65B003005	Sherry D. Brantley	1218 Huntcliff Way	Clinton, MS 39056	\$115,000.00
707737003	Thomas W Francis Jr. & William B. Prestage Ttee Prescription Center EE PSP FBO William Prestage	Highway 25 South	Fulton, MS 38843	\$130,000.00

707782009	Thomas W. Francis, Jr. William B. Prestage Ttee Prescription Ctr EE PSP fbo Thomas W. Francis	Highway 25 South	Fulton, MS 38843	\$95,000.00
707725008	Thomas W. Francis, Jr. & Margaret Ann Francis	207 Francis Drive	Fulton, MS 38843	\$100,160.17
659986004	Tommye H. Stiles	2619 Old Leland Road	Greenville, MS 38701	\$65,000.00
707793006	Tracy K. Hughes	402 Kimber Lane	Hernando, MS 38632	\$100,000.00
659987002	Vanessa D. Robbins	11 Foxcroft CT.	Madison, MS 39110	\$108,000.00
707794004	Victor Nance Ttee, O'Neal Family Trust	500 Arnold Ave.	Greenville, MS 38701	\$310,000.00
707740007	Virginia C. Uren & William R. Uren, Jr.	4125 Highway 431 South	Eufaula, AL 36027	\$137,500.00
65B127002	W. Benjamin Beaird	105 Pebblebrook Drive	Clinton, MS 39056	\$240,000.00
707748000	William B. Prestage & Carolyn Ray Prestage	Route 5 Box 346	Fulton, MS 38843	\$163,780.00
707870002	Lori D. Barnes	633 Hidden Acres Drive		\$100,000.00
707871000	Elizabeth Ashley Nance	Post Office Box 1222		\$100,000.00
707889002	Victor Harrison Nance	Post Office Box 1222		\$100,000.00
65B011008	William H. Sellers	2621 County Road 14	Union Springs, AL 36089	\$145,000.00
	Victor Nance	Post Office Box 1222		\$200,000.00
	Betty Ray & Katherine Nance			\$100,000.00
65B292004	Nell K. Tays			\$85,000.00
767968001	Kathryn S. Busenlehner Charitable Remainder Trust, Victor Nance, Trust	500 Arnold Avenue		\$220,000.00
65B295007	Judy F. Long	1753 Camellia Dr.		\$50,000.00
				\$10,687,440.17

5. A check of records required to be maintained by the Division reveals that these securities (promissory notes) are not registered nor are they exempt from registration.
6. Beginning in or about June 2000 and continuing through June 2003 Hamric and others conspired with one another to induce victims to invest in excess of \$10 million in a fraudulent trading program proposed by Hamric which guaranteed the security of investors' principal and promised a return to investors of 1.5% to 2.5% per month with no risk of loss to capital. As part of this scheme Hamric and his agents made untrue statements of material fact or omitted to state material facts necessary in order to make the statement made, not misleading, to wit:
 - A. That their investment would be in "high yield investment programs open only to humanitarian projects";

- B. That Hamric's enterprise had been approved by the United States government as a "non-for profit humanitarian" organization;
 - C. That participation in the program required a minimum investment of \$10 million;
 - D. That the funds from investors would be pooled to make up the \$10 million minimum trading block;
 - E. That the "financing vehicle" for the program would be a promissory note issued by Hamric paying 1.5% to 2.5% per month;
 - F. That the promissory notes would be secured by HCI stock owned by Hamric;
 - G. That investor's money would remain in a reserve fund which would never leave the bank;
 - H. That Hamric's professional liability insurance would cover any losses that might occur;
 - I. That the funds from investors had been removed from AmSouth Bank;
 - J. That the funds from investors were converted to the personal use of Hamric and his agents acting on Hamric's behalf.
7. On November 25, 2003, Hamric pled guilty to federal charges of money laundering through this fraudulent investment scheme.
8. A Summary Cease and Desist Order was entered against the Respondent on November 22, 2004. Respondent was served with a certified copy of the Summary Order.
9. Respondent failed to request a hearing or otherwise respond to the Summary Order within the thirty (30) day time frame prescribed in the Act. Therefore entry of a Final Order is appropriate.

III. APPLICABLE LAW

10. Section 75-71-105(b) states, "Broker-dealer" means any person engaged in the business of effecting transactions in securities for the account of others or for his own account.
11. Section 75-71-105(k) of the Act states, "Person means any individual... corporation [or] partnership..."
12. Section 75-71-105(n) of the Act states, "Security means any note; stock; treasury stock; bond; debenture; evidence of indebtedness; certificate of interest or participation in any profit-sharing agreement...; or, in general, any interest or instrument commonly known as a "security," or any certificate of interest or

- participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase any of the foregoing.”
13. Section 75-71-119(c) of the act states, “For the purpose of this section, any offer to sell or to buy is made in this state, whether or not either party is then present in this state, when the offer (1) originates from this state, or (2) is directed by the offeror to this state and received at the place to which it is directed (or any post office in this state in the case of a mailed offer).
14. Section 75-71-301 of the Act states, “Except as provided for in Section 75-71-109(a), it is unlawful for any person to transact business in this state as a broker-dealer or agent unless he is registered under this chapter. Except as provided for in Section 75-71-109(a), it is unlawful for any broker-dealer or issuer to employ an agent unless the agent is registered.”
15. Section 75-71-401 of the Act states, “Except as provided for in §75-71-109(a) it is unlawful for any person to offer or sell any security in the State of Mississippi unless: (1) it is registered under this chapter or (2) the security or transaction is exempted under Article 3 of this chapter or (3) it is a federal covered security.
16. Section 75-71-501 of the Act states, “It is unlawful for any person, in connection with the offer, sale or purchase of any security directly or indirectly,
- (1) To employ any device, scheme or artifice to defraud;
 - (2) To make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statement made, in light of the circumstances under which they are made, not misleading; or
 - (3) To engage in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person.
17. Section 75-71-715 of the Act states, “Whenever it appears to the Secretary of State that any person has engaged or is about to be engaged in any act or practice constituting a violation of this chapter or any rule or order thereunder, he may, in his discretion, seek any and all of the following remedies:
- (1) Issue a cease and desist order, with or without a prior hearing against the person or persons engaged in the prohibited activities, directing them to cease and desist from further illegal activity...
18. Section 75-71-735 of the Act states, “Any person who wilfully violates any provision of this chapter, except 75-71-115, or who wilfully violates any rule or

order under this chapter, or who wilfully violates section 75-71-115 knowing the statement made to be false or misleading in any material respect, shall upon conviction be fined not more than five (5) years or both...

V. CONCLUSIONS OF LAW

19. The securities offered by Respondent are securities as that term is defined in §75-71-105(n) of the Mississippi Securities Act.
20. The securities were offered for sale to residents of the State of Mississippi as defined in §75-71-119(c) of the Mississippi Securities Act.
21. Respondent acted as a broker-dealer, offering for sale securities in the State of Mississippi while not properly registered with the Mississippi Secretary of State's Office in violation of §75-71-301 of the Mississippi Securities Act.
22. The securities offered and sold by respondent were not registered with the Division or exempt from the registration provisions of the Act, in violation of §75-71-401 of the Mississippi Securities Act.
23. Respondent engaged in certain acts, practices and a course of business which operated as a fraud or deceit upon persons in the State of Mississippi and other states and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, in violation of §75-71-501 of the Mississippi Securities Act, to wit: Hamric used funds of new investors to pay old investors. Hamric also used investors' funds to pay himself and his agents.

VI. PUBLIC INTEREST

This Final Cease and Desist Order is issued in the public interest and for the protection of investors consistent with purposes of this Act.

VII. AMENDMENTS

The Division reserves the right to amend this Final Cease and Desist Order.

VIII. ORDER

IT IS THEREFORE ORDERED, pursuant to the authority set out in §75-71-715 (l) of the Act, that Respondent LOUIS D. HAMRIC, II shall permanently **CEASE AND DESIST** FROM ANY FUTHER ACTIVITY IN, OR ORIGINATING FROM, the State of Mississippi, in connection with the offer and/or sale of securities

to any person until such time that he and the securities being offered and/or sold are duly registered or exempted from registration under the Act.


IT IS ALSO ORDERED, pursuant to the authority set out in Miss. Code Ann. §75-71-715(2) (Rev. 2000), that Respondent shall pay an administrative penalty of Twenty-five Thousand Dollars (\$25,000.00), which is payable to the Secretary of State, Business Regulation and Enforcement Division, **within 30 days** from the date of this Order.

BE ADVISED THAT, pursuant to §75-71-735 of the Act, a willful violation of this Final Cease and Desist Order may be punishable upon conviction by a fine of not more than Twenty-five Thousand Dollars (\$25,000) or five (5) years imprisonment, or both in addition to civil and administrative remedies available to the Division.

Entered this the 28 day of FEBRUARY, 2005.

ERIC CLARK
Secretary of State

By:


JAMES O. NELSON, II
Assistant Secretary of State
Business Regulation & Enforcement

Mailing Address:
Secretary of State
Business Regulation & Enforcement
P.O. Box 136
Jackson MS 39205-0136

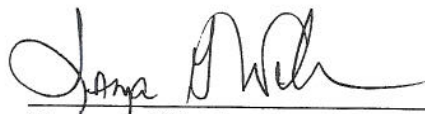
Physical Address:
700 North Street
Jackson MS 39201

CERTIFICATE OF SERVICE

I, Tanya G. Webber, do here by certify, that I have this day, mailed via United States Certified Mail, a true and correct copy of this Final Cease and Desist Order to the following:

LOUIS D. HAMRIC, II
8267 Mossey Creek Drive
Germantown, Tennessee 38138

This the 15th day of March, 2005.



Tanya G. Webber
Senior Attorney
Business Regulation & Enforcement